

Message Text

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ACTION ARA-15

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 ITC-01 STR-07 L-03
/077 W

-----061741 011456Z /43

R 291540Z SEP 78
FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 2884

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E.O. 11652: N/A
TAGS: EMIN, BL
SUBJECT: RAIL TARIFF HIKE LEADS COMIBOL TO SUSPEND SOME EXPORT
SHIPMENTS

1. ON SEPTEMBER 25 THE GENERAL MANAGER OF COMIBOL,
OSCAR BONIFAZ, "CONFIRMED" DRURING A PRESS CONFERENCE THAT
THE GOVERNMENT OWNED MINING CORPORATION HAD STOPPED SHIPPING ORE
CONCENTRATES VIA THE BRITISH-OWNED CHILEAN RAIL LINE TO ANTOFAGASTA.
BONIFAZ CITED THE "IMPROPER" AND "UNILATERAL" SIXTY-
PERCENT FREIGHT RATE INCREASE AS THE REASON COMIBOL
HAS SUSPENDED USE OF THE SOUTHERN RAIL ROUTE TO CHILE.
HE ADMITTED THAT THE ECONOMIC IMPACT OF THE TARIFF
HIKE WAS NOT REALLY SERIOUS--ONLY US\$.03/TON MILE--
BUT MAINTAINED THAT IT MUST BE RESISTED IN ORDER TO
DISCOURAGE SIMILAR SUBSEQUENT AND MORE SERIOUS
UNILATERAL INCREASES.

2. COMMENT: IN SPITE OF THE PROMINENT AND CLOSE TO
STRIDENT PRESS PLAY GIVEN THE STORY, IN REALITY THERE
SEEMS TO BE LESS TO IT THAN MEETS THE EYE. INDUSTRY
SOURCES HERE MAINTAIN THAT THE REAL REASON COMIBOL
HAS STOPPED SHIPMENTS TO ANTOFAGASTA HAS LITTLE
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TO DO WITH THE FREIGHT INCREASE, WHICH IN ANY CASE IS NOT
NEW AT ALL. RATHER, WITH THE CURRENT LOW PRICES FOR
LEAD, ANTIMONY, AND BISMUTH. COMIBOL APPARENTLY
HAS DECIDED TO STOCKPILE THESE ORES IN HOPES OF A LATER
PRICE RISE. BY CONTRAST, TIN, THE PRICE OF WHICH IS AT
RECORD LEVELS, CAN BE EXPORTED ALMOST AS EASILY
VIA THE NORTHERN ROUTE THROUGH ARICA. PRIVATELY

TRADE SOURCES CONCEDE THAT THE PRESS ROASTING
GIVEN THE CHILEANS OVER THE TARIFF BOOST HAS
FAR MORE REVELANCE TO THE GENRAL STATE OF CHILE-
BOLIVIA RELATIONS THAN TO THE ECOMGOYWS OF MINERALS
EXPORTATION.
BOEKER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, RAIL SHIPMENTS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LAPAZ07924
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780401-0586
Format: TEL
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978097/aaaaafcb.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0681b350-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1443177
Secure: OPEN
Status: NATIVE
Subject: RAIL TARIFF HIKE LEADS COMIBOL TO SUSPEND SOME EXPORT SHIPMENTS
TAGS: EMIN, BL
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0681b350-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014